



Connecting with Customers at the Speed of Light

29 June 2006

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

*Re: Implementation of the Pay Telephone Reclassification and Compensation Provisions
of the Telecommunications Act of 1996, CC Docket No. 96-128*

Systems Audit Report by Independent Accountants on Compliance with Payphone Rules

Statement Identifying Persons Responsible for Handling Payphone Compensation Issues

Dear Secretary Dortch:

Broadwing Communications LLC (Broadwing) hereby submits the attached Systems Audit Report by Independent Accountants on its Compliance with Payphone Rules, as required by 47 CFR § 64.1320(b).

Pursuant to 47 CFR § 64.1320(e), Broadwing also submits the attached statement listing the contact information for persons responsible for handling payphone compensation and for resolving disputes with payphone service providers.

This submission is filed in compliance with the Commission's Report and Order (FCC 03-325), released October 3, 2003.

Please feel free to contact me at 312-895-8272. Thank you.

Sincerely,



Daniel Meldazis
Director Regulatory Affairs

Attachments



200 N. LaSalle
Suite 1000
Chicago, IL 60601

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KPMG LLP
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707 Seventeenth Street
Denver, CO 80202

Independent Accountants' Report

The Board of Directors
Broadwing Communications, LLC:

We have examined management's assertion, included in the accompanying *Report of Management on Compliance with Applicable Requirements of 47 C.F.R. Sections 64.1310 and 64.1320 of the Federal Communications Commission's Rules and Regulations*, that Broadwing Communications, LLC ("Broadwing" or "the Company") complied with 47 C.F.R. Sections 64.1310(a)(1), 64.1320(c) and 64.1320(d) of the Federal Communications Commission's ("FCC") Rules and Regulations and related requirements contained in CC Docket No. 96-128 as of June 29, 2006. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

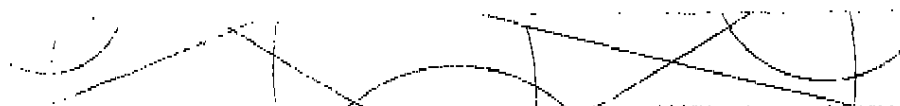
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that the Company complied with the aforementioned requirements as of June 29, 2006, is fairly stated in all material respects.

This report is intended solely for the information and use of Broadwing's management, its Board of Directors, the FCC and applicable Facilities-Based Long Distance Carriers and Payphone Service Providers and is not intended to be and should not be used by anyone other than those specified parties.

KPMG LLP

June 29, 2006



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**Report of Management on Compliance with Applicable Requirements
of 47 C.F.R. Sections 64.1310 and 64.1320 of the Federal Communications
Commission's Rules and Regulations**

Management of Broadwing Communications, LLC ("Broadwing" or the "Company") is responsible for establishing and maintaining the internal controls over its pay telephone call tracking system and for ensuring the Company's compliance with applicable requirements of 47 C.F.R. Sections 64.1310(a)(1), 64.1320(c) and 64.1320(d) of the Federal Communications Commission's ("FCC") Rules and Regulations and related requirements contained in CC Docket No. 96-128, regarding *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*.

Management has performed an evaluation of the Company's compliance with the applicable requirements of 47 C.F.R. Section 64.1310(a)(1) using the criteria in Section 64.1320(c) of the FCC's Rules and Regulations as the framework for the evaluation. Based on this evaluation, we assert that as of June 29, 2006, the Company complies with all applicable requirements of 47 C.F.R. Section 64.1310(a)(1) in all material respects. Further, Broadwing has disclosed all material changes since July 1, 2005 to the auditors concerning the call tracking system that must be disclosed in accordance with 47 C.F.R. Section 64.1320(f) of the FCC's Rules and Regulations. These material changes do not adversely affect Broadwing's ability to comply with 47 C.F.R. Section 64.1310(a)(1).

We have prepared the required assertion statements relating to Broadwing's Pay Telephone Call Tracking Systems.

Broadwing may be acknowledged as the "Completing Carrier" in the following call scenarios:

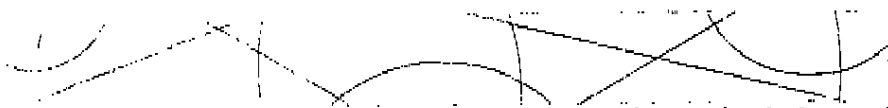
- Retail Toll Free (On-network Dedicated Access Line Termination)
- Retail Toll Free (On-network Public Switched Telephone Network Termination)
- Retail Toll Free (Off-network Origination)
- Retail Toll Free (Off-network Termination)
- Retail Toll Free (Off-network Origination to Off-network Termination)
- Retail Toll Free (Enhanced)
- Wholesale (Non-switched) Calling Card (On-network to On-network)
- Wholesale (Non-switched) Calling Card (On-network to Off-network)
- Wholesale (Non-switched) Calling Card (Off-network to On-network)
- Wholesale (Non-switched) Calling Card (Off-network to Off-network)
- Wholesale (Non-switched) Audio Conferencing

All assertions for Broadwing are from the point Broadwing has visibility to the call tracking data.

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Broadwing uses the National Payphone Clearinghouse ("NPC") for payphone compensation settlement for interstate long distance ("LD") calls. The NPC performs the following specific functions on behalf of Broadwing:

- Payphone ownership validation
- Calculation of Dial-Around Compensation ("DAC") obligations
- Payment of DAC obligations
- Management reporting and invoice processing
- Dispute resolution assistance

Broadwing has obtained and relied upon third-party assurance from the NPC to verify that controls and procedures relating to these assertions have been established and maintained by the NPC. An independent assessment of the effectiveness of such controls has been performed by an independent accounting firm.

Broadwing represents the following assertions per 47 C.F.R. Section 64.1320(c) of the FCC's Rules and Regulations, where it is identified as the Completing Carrier:

FCC Compliance Factor (1) - Broadwing's ("Completing Carrier") procedures accurately track calls to completion.

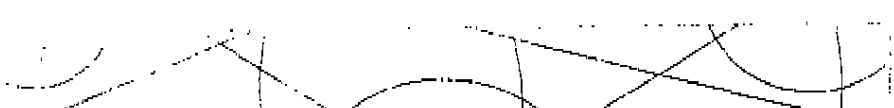
- Broadwing's business definitions and procedures agree with FCC Rules and Regulations for "Compensable Call."
- Broadwing's business definitions and procedures agree with FCC Rules and Regulations for "Completed Call."
- Broadwing's procedures agree with FCC Rules and Regulations for "Reporting Requirements" (via NPC) for compensable calls to generate the following reports on a quarterly basis:
 - a) A list of the toll-free and access numbers dialed and completed from each Payphone Service Provider's ("PSP") payphones along with the Automatic Number Identification ("ANI") for each payphone.
 - b) The volume of payphone originating calls, for each toll-free and access number, completed by Broadwing.
 - c) The name, address, and phone number of the person responsible for handling Broadwing's payphone compensation.
 - d) The Carrier Identification Code ("CIC") of all facilities-based LD carriers that routed payphone originating calls to Broadwing categorized according to toll-free and access code numbers.
- Broadwing's definitions and procedures for establishing the "per-call" rate are in compliance with FCC Rules and Regulations.
- Broadwing's procedures for validating payphone ANIs are complete and accurate.

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FCC Compliance Factor (2) - Broadwing ("Completing Carrier") has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone-completed calls.

- Broadwing has designated personnel that are responsible for drafting the business requirements associated with tracking, compensating, and resolving disputes concerning payphone compensated calls.
- Broadwing has designated personnel who are responsible for payphone compensation dispute resolution.
- Broadwing has personnel responsible as point of contact with the NPC.
- Broadwing has personnel responsible for maintaining continual relationships with third party service providers related to payphone compensation.

FCC Compliance Factor (3) - Broadwing ("Completing Carrier") has effective data monitoring procedures.

- Broadwing tracks all call detail records ("CDRs") including payphone CDRs.
- Broadwing stores data for excluded CDRs and issues call rejection reports (excluded calls) for the overall billing system.
- Broadwing issues quarterly reports on payphone call counts, PSP identities, numbers called and info-digits, etc.
- Broadwing issues reports on trends of switch traffic volumes entering payphone compensation systems.
- Broadwing has the ability to develop custom reports in order to resolve PSP disputes.

FCC Compliance Factor (4) - Broadwing ("Completing Carrier") adheres to established protocols to ensure that any software, personnel or any other network changes do not adversely affect its payphone call tracking ability.

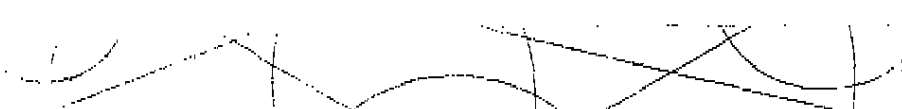
- Broadwing has logical access controls to restrict access to payphone and billing systems to Operations personnel.
- Broadwing has security controls in place to monitor access to the call tracking system.
- Broadwing payphone software production and development areas are protected from unauthorized access.
- The NPC provides security controls for the payment distribution systems (for both controlling and monitoring system access).
- Software and source code systems are in place to track changes to payphone systems.
- Broadwing implements quality assurance and user acceptance testing to software affecting payphone compensation.

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- Broadwing has application controls in place to ensure that network changes, external to payphone compensation, do not negatively impact payphone compensation.
- Broadwing has designated personnel that are responsible for making software changes that affect payphone compensation.
- Broadwing has designated personnel responsible for the development and maintenance of systems used in the collection and reporting of payphone call data.
- Broadwing has designated personnel responsible for developing compensation tracking reports.

FCC Compliance Factor (5) – Broadwing (“Completing Carrier”) creates a compensable payphone call file by matching call detail records against payphone identifiers.

- Broadwing payphone call data is collected from network switch records and off-network carrier files. All required data fields for a call record are stored in the payphone database table. This table is the source for compensable payphone reports to the NPC.
- Broadwing uses info-digits and ANI lists (provided by the NPC) to identify payphone calls for storage in the payphone database.

FCC Compliance Factor (6) – Broadwing (“Completing Carrier”) has procedures to incorporate call data into required reports.


- Business rules are in place to determine Intermediate and Completing Carrier records on a call-by-call basis.
- The NPC attests to the required reports and a complete list of PSPs.
- Each quarter, Broadwing provides a report to the PSPs, in a “computer readable format,” that includes:
 - a) A list of the toll-free and access numbers dialed and completed from each PSP’s payphones along with the ANI for each payphone.
 - b) The volume of payphone originating calls, for each toll-free and access number, completed by Broadwing.
 - c) The name, address, and phone number of the person responsible for handling Broadwing’s payphone compensation.
 - d) The CIC of all facilities-based LD carriers that routed payphone originating calls to Broadwing categorized according to toll-free and access code numbers.
- Broadwing’s business definitions and procedures agree with FCC Rules and Regulations for identifying PSPs.

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FCC Compliance Factor (7) - Broadwing ("Completing Carrier") has implemented procedures and controls needed to resolve payphone compensation disputes.

- Broadwing's procedures agree with FCC Rules and Regulations for data storage requirements.
- Broadwing has the ability to produce reports in support of researching payphone compensation disputes.
- Broadwing has designated personnel responsible for handling/resolving disputes.
- Broadwing has filed with the Commission's Secretary, facilities-based carriers and PSPs a statement including: name of Completing Carrier, and the name, address and phone numbers for the person responsible for handling payment and resolving disputes. This statement is updated within 60 days of changes (pursuant to 47 C.F.R. Section 64.1320(e)).
- The NPC is the primary contact for PSP disputes.

FCC Compliance Factor (8) - Critical controls and procedures have been implemented by Broadwing ("Completing Carrier") and can be tested by the independent third-party auditor to verify that errors are immaterial.

- Appropriate business rules for determining payphone calls by info-digits and ANI lists (provided by the NPC) are in the mediation system.
- Incomplete calls are subject to business rules in the system and set aside as non-billable.
- Broadwing controls and procedures generally provide that switch data is accurately populated into the payphone compensation file.
- Material call records in error (rejects) are examined and reprocessed.
- Broadwing controls and procedures provide for the capturing of dial-around calls.
- Broadwing controls and procedures exclude commissioned calls from the payphone compensation file.

FCC Compliance Factor (9) - Broadwing ("Completing Carrier") has in place adequate and effective business rules for implementing and paying payphone compensation, including rules used to: (i) identify calls originated from payphones; (ii) identify compensable payphone calls; (iii) identify incomplete or otherwise non-compensable calls; and (iv) determine the identities of the payphone service providers to which the Completing Carrier owes compensation.

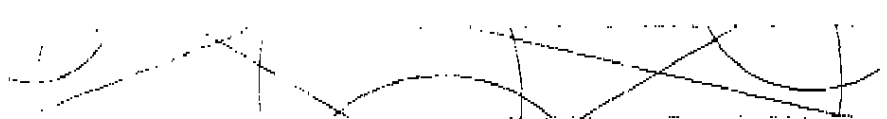
- Broadwing has implemented business rules that identify calls originated from payphones.
- Broadwing has implemented business rules that identify compensable payphone calls.
- Broadwing has implemented business rules that identify incomplete or otherwise non-compensable calls.

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- Broadwing has implemented business rules that determine the identities of the PSP to which the Completing Carrier owes compensation. Broadwing's Clearinghouse (NPC) has the needed business rules specific to the PSPs and their identity.

Broadwing's Required Disclosures per Section 64.1320(d) of the FCC's Rules and Regulations

- Broadwing's criteria for identifying calls originating from payphones include call record info-digit identification of 25, 27, 29 or 70 and all other calls with originating ANI matching payphone-identified originating ANI.
- Broadwing's criteria for identifying compensable payphone calls include all calls with info-digits 25, 27, 29 or 70, and all other calls with originating ANI matching payphone-identified originating ANI, and call duration greater than zero. Calls originating from payphones where Broadwing has a separate compensation agreement in place are excluded from the Compensable Call File.
- Broadwing's criteria for identifying incomplete or otherwise noncompensable calls include: (1) calls that do not have info-digits 25, 27, 29 or 70, (2) calls with originating ANI not matching payphone-identified originating ANI, (3) calls with a duration of zero, or (4) calls that originate from payphones where Broadwing has a separate compensation agreement in place.
- Broadwing's criteria used to determine the identity of the PSPs to which Broadwing owes compensation is established by the NPC, Broadwing's clearinghouse for settlements. The NPC criteria used to determine the identities of PSPs are ANIs.
- The type of information that Broadwing needs from the PSPs in order to compensate the PSPs is determined by the NPC. The type of information that the NPC needs in order to compensate PSPs are ANIs.

Dated: June 29, 2006


Lynn D. Anderson, S.V.P. & C.F.O.
Broadwing Communications, LLC

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Payphone Dispute Resolution Process**1. Introduction**

This document outlines the process that Broadwing Communications, LLC uses to handle any possible disputes, or any questions or concerns that a payphone service provider (PSP) may have. All disputes or inquiries should be directed to Daniel Meldazis at 312-895-8400 or via e-mail at payphone@broadwing.com. Mr. Meldazis will also be your initial contact for the National Payphone Clearinghouse and the will be maintaining the continued relationship. Based on the facts of the dispute, Broadwing will utilize the resources of its staff, including but not limited to its billing, information technology, and revenue assurance departments.

2. How To Proceed

If you disagree with any of the payphone compensation quarterly calculations, Broadwing requires the following information included in your dispute:

- A. Your current PSP ID
- B. If you are an aggregator. If you are not an aggregator, please refer your dispute to your aggregator.
- C. If you are not an aggregator, have you executed a power of attorney with any entity.
- D. Which claim quarter.
- E. A list of the ANIs that are in dispute.
- F. Reason for the dispute.
- G. Contact information if additional information is required to process your dispute.

All of the attached information is to be provided in MS Excel format and attached to your claim.

3. Response Time

Broadwing will undertake all reasonable efforts to respond to your disputes as quickly as possible. Response time to your dispute will depend on the number of ANIs in dispute, the time periods involved, and the complexity of the dispute.

Contact Information

Broadwing Communications LLC
Attn: Daniel Meldazis
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Chicago, IL 60601
312-895-8400
payphone@broadwing.com

Last Updated 16 February 2005



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